

13 January 1959

MEMORANDUM FOR: Col. David H. Smith,  
Army Member, NIS Committee

SUBJECT: NIS Production of Petroleum Intelligence

1. I am considering a proposal that maintenance production of Supplement V be discontinued with the end of Fiscal Year 1959 and that NIS petroleum intelligence thereafter be produced and carried in the Section 62. No significant change in the existing Section 62 outline is projected. However, in the case of a few of the most important petroleum-producing areas, the Subsection 62C will be prepared in greater detail and depth relative to other areas and will require that related Sections 62 be scheduled for maintenance at more frequent intervals.

2. There are certain countries outside the Bloc whose petroleum production is so important, in terms of U.S. and Free World strategic interest, that they continue to merit special NIS consideration even in the absence of Supplements V. The following eight countries are in this category: Arabian Peninsula, Venezuela, Iran, Iraq, Indonesia, British Borneo, Colombia, and the West Indies. It is my opinion that Sections 62 on these areas should be maintained on four-year cycles, or at the rate of two sections a year.

3. Under this proposal Section 62 production would continue at the rate of eight areas a year (2 Bloc and 6 Free World), plus production of two Sections 62 on the eight petroleum-important areas listed above in lieu of Supplement V production. The bulk of this new work would be done by the Department of the Interior covering Subsection 62A - General, 62B - Solid Fuels, and 62C - Petroleum. The Department of the Army, however, would be called upon to contribute annually two additional Subsections 62D - Electric Power. Fortunately, electric power is a relatively minor energy factor in most of these petroleum-important areas.

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Enclosed for your information are two copies of a letterhead memorandum (LHM) dated 10 January 1959, from the Joint Chiefs of Staff (JCS) to the Secretary of Defense, regarding the production of petroleum intelligence. The LHM is a response to a request from the Secretary of Defense dated 27 December 1958, for the JCS to review the current status of petroleum intelligence production and to recommend ways to improve it. The LHM states that the JCS has reviewed the current status of petroleum intelligence production and has found it to be inadequate. It recommends that the JCS should take steps to improve the production of petroleum intelligence, including the establishment of a Petroleum Intelligence Committee (PIC) to coordinate the efforts of the various agencies involved in the production of petroleum intelligence.

The LHM also recommends that the JCS should take steps to improve the coordination of petroleum intelligence production with the other intelligence agencies. It states that the JCS should establish a Petroleum Intelligence Committee (PIC) to coordinate the efforts of the various agencies involved in the production of petroleum intelligence. The PIC should be composed of representatives from the JCS, the State Department, the Defense Department, and the Atomic Energy Commission. The PIC should meet regularly to discuss the production of petroleum intelligence and to coordinate the efforts of the various agencies involved in the production of petroleum intelligence.

4. I wish you would discuss this matter with me as soon as you have examined Army's capabilities to handle these contributions. If these can be done, the NIS will be able to provide more timely and better coordinated petroleum intelligence than has been possible under the separate Section 62 and Supplement V schedule.

The LHM also recommends that the JCS should take steps to improve the coordination of petroleum intelligence production with the other intelligence agencies. It states that the JCS should establish a Petroleum Intelligence Committee (PIC) to coordinate the efforts of the various agencies involved in the production of petroleum intelligence. The PIC should be composed of representatives from the JCS, the State Department, the Defense Department, and the Atomic Energy Commission. The PIC should meet regularly to discuss the production of petroleum intelligence and to coordinate the efforts of the various agencies involved in the production of petroleum intelligence.

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**Chairman, NIS Committee**